

**JOINT MEETING
CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT
(UNDER JOINT POWERS AGREEMENT)**

Cayucos Sanitary District Board of Directors:

Robert Enns, President
Bud McHale, Vice-President
Harold Fones, Director
Shirley Lyon, Director
Michael Foster, Director

City of Morro Bay City Council:

Janice Peters, Mayor
Betty Winholtz, Vice-Mayor
Noah Smukler, Councilmember
Carla Borchard, Councilmember
Rick Grantham, Councilmember

AMENDED AGENDA

MEETING DATE:

6:00 p.m., Thursday, June 10, 2010

HOSTED BY:

City of Morro Bay

MEETING PLACE:

Multi-Purpose Room
Community Center
1001 Kennedy Way
Morro Bay, CA 93442

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

A. CONSENT CALENDAR

1. Minutes of May 13, 2010 JPA Meeting – Recommend approve.
2. Status Report on Design Process – Recommend receive and file
3. Status Report on Request for Proposal (RFP) for Project Management for the WWTP Upgrade Project – recommend receive and file

B. NEW BUSINESS

1. Proposed Budget for WWTP FY 2010-2011 – Recommend Approve
2. Schedule Next Joint Meeting and Agenda Items
3. Discussion of Board and Council Members Independent Review of Alternative WWTP Project Delivery Methods

ADJOURNMENT - (Next meeting will be hosted by the Cayucos Sanitary District)

Copies of staff reports and other public documentation relating to each item of business for this meeting are available for inspection at Morro Bay City Hall at 595 Harbor Street and the Cayucos Sanitary District at 200 Ash Ave. A copy of this packet is available from the City of Morro Bay for copying at Mills Copy Center and from the Cayucos Sanitary District for a copy and duplication charge. Any person having questions regarding any agenda items may contact Bruce Keogh, Wastewater Division Manager (City of Morro Bay) at 772-6261 or Bill Callahan, District Manager (Cayucos Sanitary District) at 995-3290.

Materials related to an item on this Agenda submitted to the Morro Bay/Cayucos Wastewater Treatment Plant Joint Powers Authority after distribution of the agenda packet are available for public inspection at; Public Services Office at 955 Shasta Avenue, Morro Bay, CA 93442; Morro Bay Library at 625 Harbor Street, Morro Bay, Ca 93442; Mills/ASAP Reprographics at 495 Morro Bay Boulevard, Morro Bay, CA 93442 during normal business hours.

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MINUTES

MEETING DATE:

6:00 PM Thursday, May 13, 2010

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL: President Enns called the meeting to order at 6:03PM and asked staff member, Anita Rebich to take roll. Morro Bay City Council Mayor Janice Peters, Council members Carla Borchard, Betty Winholtz, Noah Smukler and Rick Grantham were present

Cayucos Sanitary District Board members President Robert Enns, Directors Shirley Lyon and Michael Foster were present. Directors Bud McHale and Hal Fones were absent.

PUBLIC COMMENT PERIOD

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President Enns opened public comment and requested that persons wishing to comment on WWTP issues hold those comments until after Item C2 since the WWTP is not on the agenda and the Board would be unable to respond.

Bill Martony, a Morro Bay resident, commented on his tour of the Santa Paula WWTP and various persons he spoke with on both the Santa Paula and Fillmore facilities. He emphasized that we should look at all options available.

Robert Staller, a rancher on Hwy 41, spoke about breakdowns of our current system and the effect on surrounding homes and businesses. His tour of the Santa Paula WWTP impressed him with their failsafe and redundant equipment to handle backups and breakdowns.

John Barta, a Morro Bay resident, spoke of better, faster, cheaper and asked that we not go down the same road of Los Osos or break our promise to have the WWTP online by 2014.

Kevin Rice, a computer builder, concurred with John Barta's comments.

Hearing no further comments President Enns closed public comments and reiterated that there would be a Public Comment period after Item C2.

A. CONSENT CALENDAR

1. Minutes of April 8, 2009 JPA Meeting – Recommend approve.

President Enns asked that Item A2 be pulled so Bruce Keogh can introduce Steve Hyland from MWH

President Enns asked for a motion to approve the consent calendar.

MORRO BAY MOTION: Winholtz, Smukler 2nd to approve Consent Calendar Item 1. VOTE: 5-0

CAYUCOS MOTION: Foster, Lyon 2nd to approve Consent Calendar Item 1. VOTE: 3-0

Item 2: Status Report on Design Process

Keogh introduced Steve Hyland of MWH and presented staff report.

Steve Hyland of MWH thanked the Council and Board for the contract, concurred with Keogh's reporting and presented his personal qualifications and background.

B. OLD BUSINESS

1. Ratification of Decision between the City of Morro Bay and Cayucos Sanitary District to Pursue a Single Loan from the State Revolving Fund (SRF) for both Agencies to Finance the Construction of a New WWTP

President Enns turned this over to Keogh who reported that discussions occurred at the last board meeting as to the pursuit of a single loan from the SRF as opposed to previous talk of each agency getting their own loan, after discussion with staff at State Board the route of a single loan was the preferred method. This was voted on and approved at the last board meeting but was not properly noticed on the agenda as an action item and would need to be brought before the Council and Board and voted on again.

CAYUCOS MOTION: Foster, Lyon 2nd to approve Item B1. VOTE: 3-0

MORRO BAY MOTION: Grantham, Borchard 2nd to approve Item B1. VOTE: 5-0

Winholtz asked if alternative funding options are looked at, what obligation is there to the SRF loan. Schultz responded that any penalties for backing out would not come into play until further down the line in the loan process.

2. Approval of Request for Approval (RFP) for Project Management for the WWTP Upgrade Project

Keogh presented the RFP for Project Management Services and discussed scope of work.

Grantham asked if this PM could take care of the value engineering portion of project. Keogh stated his understanding was to have a 3rd party objective analysis of value engineering.

Smukler inquired if Aug 12 is still target date for PM contract award, Keogh acknowledged it was.

Smukler inquired about lack of cancellation clause in RFP, Schultz will add to contract.

Winholtz asked Keogh to explain the pros and cons of hiring an Independent Contractor vs a Morro Bay or Cayucos employee. Keogh referred the Council and Board to the table on the back page of the staff report. Board and staff continued discussion on the subject.

MORRO BAY MOTION: Grantham, Borchard 2nd to approve Item B2. VOTE 5-0

CAYUCOS MOTION: Foster, Lyon 2nd to approve Item B2. VOTE 3-0

Smukler asked that the JPA TAC or the Council and Board have a chance to interview the applicants before the final vote.

Foster expressed concern over lack of Termination Clause in RFP. Schultz said they would make sure it is inserted in its entirety before RFP goes out.

C. NEW BUSINESS

1. Consideration to Pay for Capital Costs Associated with the New Morro Bay-Cayucos (MBCSD) WWTP Based on Adopted Capacity Rights for the New MBCSD WWTP

Mayor Peters communicated that Morro Bay likes the proposed idea. Winholtz asked for clarification of this consideration. President Enns explained that currently Cayucos pays for their portion of the plant design based on flow and with the new WWTP Cayucos will pay based on capacity which allows Cayucos' payments to stay in line with plant ownership percentage.

CAYUCOS MOTION: Lyon, Foster 2nd to approve Item C2. VOTE: 3-0

MORRO BAY MOTION: Borchard, Grantham 2nd to approve Item C2. VOTE: 5-0

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

President Enns referred to the report by the JPA Council and Board members who toured the Santa Paula facility and asked that they briefly speak on that tour. The members Smukler, Grantham, Foster and Enns all gave their impressions on the plant and what they came away with in respect to the project underway for Morro Bay and Cayucos and their citizens.

President Enns opened public comments.

Barry Brannon, a Morro Bay resident, thanked the committee for their work and the tour of the Santa Paula facility, but feels that we have design before needs and should be looking at needs, then design.

Walter Heath, a Morro Bay resident also thanked the committee for their work and the tour of Santa Paula facility. He compared the PERC facility to that of a Mercedes Benz and spoke of leasing vs. buying.

Bill Martony, a Morro Bay resident, concurred with Walter Heath's comments and added that the risk exposure of the PERC facility during the 30 years was minimal. He commented that looking at an alternate location not on prime ocean front property could potentially save money

Robert Staller, a rancher, expressed his concerns of odor with respect to the current location and asked that alternate locations also be investigated.

There was a brief discussion by the Board in regard to the PERC proposal and the 30 year plan they offer. President Enns said that more information was forthcoming that would provide an apples to apples comparison of the numbers and would be presented to the Board when complete.

1. Schedule Next Joint Meeting and Agenda Items

Next meeting is scheduled for June 10, 2010 in Morro Bay.

Smukler asked that measurements of success and criteria that were adopted by the Morro Bay City Council be put on the agenda for review and modification as needed for the JPA. He stated this would allow the Council and Board to ascertain their effectiveness especially in light of new members coming on due to this being an election year.

ADJOURNMENT

President Enns adjourned the meeting at 7:27PM

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STAFF REPORT

**MORRO BAY-CAYUCOS J.P.A.
WASTEWATER TREATMENT PLANT**

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Bruce Keogh, Wastewater Division Manager

Date: June 3, 2010

Subject:
Status Report on the Design Process for the WWTP Upgrade Process

Recommendation:
This Department recommends that this report be received and filed.

Fiscal Impact:
None

Summary:
This staff report is intended to provide an update on the design process for the WWTP upgrade process from the May 13, JPA meeting.

Background:
The Council and District awarded a contract to MWH for Engineering Design Services for the WWTP upgrade project at their February 16, 2010 meeting. Staff worked with MWH to execute the contract and a Notice to Proceed was issued on March 12, 2010.

Discussion:
City and District staff have continued to work with MWH staff on the tasks outlined in the scope of work required to complete the design process. The primary focus at this time has been on gathering information and options required to develop Amendment #2 to the Facility Master Plan (Amendment #2). Amendment #2 will serve as the document from which the design process will proceed. MWH has provided a draft of Amendment #2 to City and District staff for review and comment. Discussions with MWH have included flows and loading parameters; coordination with other required studies such as the EIR, geotechnical, and the flood study; discussion of overall plant design; and process and equipment selection. Staff expects a number of coordination meetings will be required over the next month to finalize Amendment #2.

Staff has spent a significant amount of time in the last month collecting, preparing, and reviewing data to be used in the preparation of Amendment #2. Plant staff has continued to work with MWH to implement an influent sampling program that will better characterize the influent loadings to the plant. Plant staff began the influent sampling program during the second week of May.

Originally, City and District staff anticipated bringing a draft of Amendment #2 to the FMP to the June 17, JPA Technical Advisory Committee for review prior to bringing it to the JPA for review and adoption. Due to time constraints, staff now anticipates bringing Amendment #2 to the July 8, JPA meeting for consideration and approval.

Expenditures to Date

To date City staff has received one invoice from MWH that covered the period through April 2, 2010 in the amount of \$23,689.

Conclusion:

City and District staff will continue to work with staff from MWH and the City and District on the design process. Staff will continue to update the City Council and District Board on the design process as information becomes available.

Updated Upgrade Project Schedule with Critical Milestones and Key Dates

June 9, 2010: Open proposals for Project Management Services

June 17, 2010: MBCSD TAC meeting: Presentation of tertiary treatment/ Title 22 considerations

July 8, 2010: MBCSD JPA meeting: Approve Amendment #2 to the Facility Master Plan

July 9, 2010: 1) Notice to Proceed for final design to MWH (1st phase of final design is preliminary design phase) 2) Notice to Proceed for screen check for draft EIR to ESA

July 26, 2010: ESA to provide screen check draft EIR for staff review

August 9, 2010: Comments from MBCSD staff on screen check draft EIR due to ESA

August 12, 2010: MBCSD JPA meeting: Award contract for Project Management Services

August 16, 2010: Draft EIR released for public review for a forty-five day comment period

August 19, 2010: MBCSD TAC meeting

September 7, 2010: Presentation of draft EIR at a Public Hearing at the Planning Commission. This is an information only meeting, the PC is not taking action at this meeting

September 9, 2010: MBCSD JPA meeting

September 16, 2010: MBCSD TAC meeting

October 1, 2010: Public comment period closes for draft EIR (end of forty – five day comment period)

October 14, 2010: MBCSD JPA meeting

October 21, 2010: MBCSD TAC meeting

November 1, 2010: ESA completes response to comments (RTC) received on draft EIR and compiles Final EIR and Findings for Council adoption

November 11, 2010: MBCSD JPA meeting

November 15, 2010: Concept Plan review for CUP/CDP/Final EIR to Planning Commission; findings from the PC to be forwarded to Council for adoption

November 18, 2010: MBCSD TAC meeting

December 9, 2010: MBCSD JPA meeting

December 13, 2010: Council certifies Final EIR and approves CUP/CDP

December 16, 2010: MBCSD TAC meeting

December 20, 2010: City files Notice of Determination with County Clerk and State Clearinghouse; City files CUP and CDP with California Coastal Commission – starts a thirty day appeal period

January 13, 2011: MBCSD JPA meeting

January 19, 2011: Thirty day appeal period ends for the Notice of Determination; or MBCSD is notified that the CDP has been appealed to the CCC

January 20, 2011: MBCSD TAC meeting: Draft Preliminary Design Report

February, 20, 2011: Value Engineering

March 1, 2011: Final Preliminary Design Report or 30% Design Complete

July 1, 2011: 60% Design Complete

November 1, 2011: 90% Design Complete

January 2, 2011: Advertise

February 20, 2011: Receive Bids

March 8, 2012: Award construction contract

April 1, 2012: Notice to Proceed to contractor

STAFF REPORT

MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Bruce Keogh, Wastewater Division Manager

Date: June 3, 2010

Subject:

Status Report on Request for Proposal (RFP) for Project Management for the WWTP Upgrade Process

Recommendation:

This Department recommends that this report be received and filed.

Fiscal Impact:

None

Summary:

This staff report is intended to provide an update on the Request for Proposal (RFP) for Project Management services for the WWTP upgrade process.

Discussion:

At the May 13, 2010 JPA meeting the Council and District approved an RFP for Project Management services for the WWTP upgrade process and directed staff to public notice the RFP. The RFP was public noticed on May 18 and is scheduled to close on June 9. Staff will provide an update on the number of proposals received at the June 10 JPA meeting. The public notice for the RFP was emailed to a list of consulting firms compiled by City and District staff and was also published in the Tribune.

The proposals will be reviewed by an evaluation committee composed of City and District staff. Following evaluation of the proposals, the evaluation committee will recommend a consultant for award of contract. Per the proposal review and award schedule contained in the RFP, staff anticipate bringing a recommendation for award of contract at the August 12 JPA meeting.

Conclusion:

City and District staff will provide a brief update on the number of proposals received on June 9. Staff will continue to update the Council and District Board on the evaluation and selection process at future JPA meetings.

STAFF REPORT

**MORRO BAY/CAYUCOS J.P.A.
WASTEWATER TREATMENT PLANT**

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Susan Slayton, Finance Director

Date: June 10, 2010

Subject: Fiscal Year 2010/11 Budget

RECOMMENDATION

That the Board of Directors of the Cayucos Sanitary District accepts this report by motion.

SUMMARY

The City of Morro Bay presents the 2010/11 budget to the Board of Directors of the Cayucos Sanitary District. Detailed notes on the revenues and expenditures are attached.

FISCAL IMPACT

Expenses:	
Operations	\$ 1,868,986
Capital outlay	1,470,000
General Fund administration	<u>30,000</u>
Total expenses	<u>3,368,986</u>
Revenues:	
Services	<u>3,368,986</u>
Revenues over/under expenses	\$ <u><u>0</u></u>

Budget Notes for FY10-11

These notes provide an explanation for all the line items in the budget. The notes include which line items have changed from the preceding years-fiscal budget or provide further discussion for clarification. Staff attempted to prioritize the projects that they believe need immediate attention in this fiscal year. Staff is concentrating on projects that are required to keep the plant operating efficiently and safely. Discussions of the projects that are above and beyond basic O&M costs are included at the end of the line item discussion.

It is important to note that three major tasks required to upgrade the treatment plant are on-going at this time. Consultants are under contract for the design and the environmental review and permitting process, and staff will be increasing their level of effort significantly on the SRF Loan process.

Upgrade Related Expenses:

The major on-going issue is the upgrade of the treatment process. As the issue is brought before the JPA, direction and action plans may be recommended that will require allocating additional funding during the FY09-10 fiscal year.

Facility Master Plan: Funding is included to complete the Facility Master Plan (Task #2), the second phase of which is allocated at \$54,899 (these funds may not be expended this fiscal year). These funds are allocated and tracked in capital project number: Dept 8438 – WWTP Master Plan.

Environmental Review Process: The Environmental Review and Permitting process (Task #3) is expected to continue into the FY09-10 fiscal year. The cost estimate for task #3 is \$320,000. To date approximately \$175,000 has been invoiced by ESA the environmental consultant. These funds are allocated and tracked in capital project number: Dept 8462 – Environmental Permit.

Design Process: There is currently \$1.5M in funding allocated for design (Task #4). It is important to note that the design contract with MWH is for a not to exceed cost of \$2.7M, with a \$.27M contingency, so the City and District will need to allocate an additional \$1.47M in funding for the FY10-11 budget. These funds are allocated and tracked in capital project Number: Dept 8433 – WWTP Upgrade Design.

Additional funding may be required if unforeseen circumstances arise. Funding for Tasks #2, 3, and 4 will be allocated and tracked as capital projects.

5 Year Capital Improvements Plan:

Staff reviewed the 5-Year CIP program developed by Cannon Associates as part of the budget preparation process. Staff is not recommending that not all items identified in the 5 Year CIP be included in the FY10/11 budget. Staff is only recommending those projects that are necessary to keep the plant operating efficiently.

Pro Rata Share of Flow

Operating expenses for the plant are paid by the City and District on a pro rata share of flow. For the FY 07-08 through February (eight months of the fiscal year) the flow breakdown is 25.1% for the CSD and 74.9% for the City.

Personnel:

4110-Regular Pay: Increase this line item to \$463,275 from \$440,418 per figures provided by finance.

4120-Overtime: Maintain this line item at \$5,000. This reflects historic budgeting levels.
4515-Standby Pay: Increase this line item to \$12,775. The present MOU states that standby pay will be paid at a rate of \$35 per day.
4599-Other: Maintain this line item at \$2,000, it reflects historical spending.
4910-Employer Paid Benefits: Increase this line item to \$260,481 from \$251,780 per finance recommendations.
4999-Labor Applied: Provided by finance.

Supplies:

5101- Janitorial: Maintain at \$1250, it reflects historic budgeting levels.
5105 – First Aide: Maintain at \$500, it reflects historic budget levels.
5108 – Communication Supplies: Maintain at \$500, it reflects historic budget levels.
5109 – Uniforms: Decrease this line item from \$13,200 to \$10,000. Funding would be allocated to uniforms (annual cost of \$6,000), the MOU required boot allowance (\$1,200). Additional funding is for the purchase of a new confined space atmospheric monitor, upgrades to equipment for confined space entry, and other safety related equipment.
5110-Fuel, Oil, Lubricants: Increase this line item to \$4,000 from \$3,500 to reflect historic spending levels. This line item covers fuel costs for the two plant trucks, diesel fuel for the emergency generator, fuel for the front-end loader when we use it, and miscellaneous oils, greases and lubricants for plant equipment. Staff has more closely tracked fuel costs for the vehicles and loader, which average approximately \$150 per month. Any additional funds reflect expenditures for oils and lubricants required for equipment maintenance from this line item.
5112-Laboratory Supplies/ Chemicals: Maintain this line item at \$16,500. The funds will cover costs associated with the operation of a State certified laboratory, including annual quality assurance tests required by ELAP and the USEPA. Daily lab procedures have increased due to ELAP requirements and increased in-house monitoring required to keep the plant operating efficiently.
5120-Chemical Supplies: Maintain this line item at \$95,000 to reflect historic spending levels. Sodium hypochlorite prices have increased dramatically over the past years and remain very volatile due to the market price for caustic (a basic ingredient of hypochlorite). In addition, the delivery fees for both sodium hypochlorite and sodium bisulfite have increased due to higher fuel costs.
5125 – Repair/ Maintenance: Decrease this line item to \$500 from \$2,500 to reflect historic spending. Funds in this line item are for asphalt, sand, and other supplies used for road and facilities maintenance.
5175 – Computer Supplies: Maintain this line item at \$1500. It reflects historic budget levels for purchase of required computer supplies.
5199 - Misc Supplies: Maintain this line item at \$1500. It reflects historic budget levels.
5301 – General Office Supplies: Maintain this line item at \$1,200. It reflects historic budget levels.
5302 – Copies: Increase this line item to \$500 from \$150. The increase will cover upgrade related copying requirements.
5303 – Books: Maintain this line item at \$100. It reflects historic budget levels.
5305 – Forms: No funds budgeted.
5501 – Ground Supplies: Maintain this line item at \$2,500. Funds in this line item are for expenses related to grounds maintenance at the plant.
5502 – Building Maint. Supplies: Maintain this line item at \$15,000. Funds in this line item would replace explosion proof lighting fixtures in the area around the headworks and the digester area. The existing lights were installed with the plant upgrade in 1984, and are in various states of disrepair. They are a key safety issue when working at night. Cost estimates provided for the purchase and installation for this project is \$15,000 or approximately \$1,000 per light.

5503 – Rolling Stock: No funds budgeted.

5504-Machinery and Equipment Supplies: Increase this line item to \$60,000 from \$55,000. The funds in this line item allow for in-house repairs of plant equipment by staff required to keep the plant operating efficiently and with in regulatory compliance. Repair and maintenance costs are expected to increase as the plant ages. The additional funds are for the purchase of a new RAS blower (\$5,000). A more detailed description of this project is contained in the projects section below.

5530-Small Tools: Maintain this line item at \$2,000. The increased funds will allow staff to purchase the tools required to properly and professionally maintain the equipment in the plant.

Services:

6101 Legal: Maintain this line item at \$200. It reflects historic budget levels.

6103 – Financial Audits: Maintain this line item at \$6,000. It reflects historic budget levels.

6104 – Engineering Services: Maintain this line item at \$105,000. The FY09-10 budget allocated \$100K for the inspection of the outfall. The inspection was not completed in FY09-10, although a portion of the outfall was inspected, further inspection will be necessary to complete the project. A discussion of the outfall inspection is in the projects section below. Historically funding in this line item was for engineering services required for minor projects or emergency repairs.

6105-Consulting Services: Maintain this line item at \$25,000. Funds in this line item are for consulting services required for permit compliance related issues, emergency repairs, and the wwtp upgrade process.

6106-Contractual Services: Increase this line item to \$195,000 from \$190,000. The annual contract with Marine Research Specialists for the Offshore Monitoring Program contains an annual escalator that is referenced to the Engineering News Record inflation index, which increased by 3.4% between March 2009 and March 2010. If this annual increase remains steady into July, the Base Program Costs (FY06-07) is estimated at \$195,000.

6125 – Professional Development: Maintain at \$2500, it reflects historic budgeting levels. Funds in this line item are for mandatory staff training, and other schools and training programs.

6160 - Vehicle Inspection: Maintain at \$250, it reflects historic budgeting levels.

6161-License and Permit Fees: Maintain this line item at \$6,000. Plant staff recommends that this line item contain funds for possible mandatory fines. The \$6,000 included in this line item has been set aside for the payment of two minimum mandatory penalties at \$3,000 per penalty.

6162-Mandated Fees/Inspections: Increase this line item to \$26,000 from \$20,000. This funding level more accurately reflect expenditures, and to reflect increase in many of the fees during the past year. Fees paid out of this line item include: fees for the NPDES permit (\$10,743), Waste Discharge Permit Fee (\$4,798), APCD permit (\$1,737.49), SLO County Hazardous Materials permit (\$437), annual outfall inspection (\$3,000), State Integrated Waste Management composting permit fees (\$1,000), Operator certificate renewal fees (\$1015), and ELAP certification fees (\$2,500).

6199-Other Professional Services: Maintain this line item at \$1500. It reflects historic budget levels.

6201 – Telephone: Maintain at \$2000, it reflects historic budgeting levels.

6220 – Postage: No funds budgeted in this line item.

6231- Pager Service: Decrease this line item to \$0 from \$300. Plant personnel have switched from a pager to a cell phone for after hours emergency notification.

6301-Electricity: Maintain this line item at \$120,000. This reflects expenditures in this line item over the last two fiscal years.

6302-Natural Gas: Decrease this line item to \$10,000 from \$25,000. This decrease reflects the significant improvement in boiler efficiency following the boiler retrofit project that was completed in FY09-10. The natural gas requirement at the plant can be very variable depending on the operational status of the digesters, whether we are cleaning digesters, or there is an

operational problem with a digester limiting digester gas production, forcing staff to rely on natural gas as well as digester gas to heat the digesters.

6303- Water: Maintain this line item at \$7500. This reflects expenditures in this line item over the last two fiscal years.

6305 – Disposal: Maintain this line item at \$600. Funds are for garbage disposal from the plant.

6307-Disposal of Sludge: Decrease this line item to \$12,500 from \$15,000. Historic sludge disposal costs average approximately \$11,000. The additional funds are allocated for required sampling and analysis, costs associated with the composting process, and any unforeseen contingencies.

6399 Other Utility: Maintain this line item at \$14,000 to reflect expenditures from this line item over the past two years. Funds for this line item are for grit disposal.

6401-General Liability: Provided by risk management.

6411-Property Damage Insurance: Provided by risk management.

6472- Other Insurance: Provided by risk management.

6473-Vehicle Insurance: Provided by risk management.

6499-Other Insurance Premiums: Provided by risk management.

6502- Shipping: Maintain this line item at \$1,000. Funds are used for shipment of equipment during repairs and maintenance.

6510 – Meetings: Decrease this line item to \$0 from \$300. Funds in this line item are covered under 6125 professional development.

6514 – Travel Expense: Maintain at \$1500, it reflects historic budgeting levels and provides funding for travel while attending conferences, seminars, and training programs.

6519 – Association Membership: Maintain at \$150, it reflects historic budgeting levels. Funding in this line item allows us to be a member of the California Water Environment Association.

6601-Outside Equipment Repair and Maint: Decrease this line item to \$117,500 from \$130,000. Historically this line item has been budgeted at \$55,000. These funds allow for the repair and maintenance of equipment by contractors as required throughout the year. Staff has identified projects that are above and beyond the funds historically budgeted. The additional \$62,500 in funding is for the following three projects. The three projects are: replacement of the screen assembly for the muffin monster (\$40,000), replace biofilter arms on biofilter #1(\$17,500), and replacement of the outfall buoys (\$5,000). A more detailed description of the projects is contained in the projects section below.

6602 – O/S Structural: Increase this line item to \$30,000 from \$5,000. The increased funds are for temporary flood control measures at the existing plant. Funds in this line item are for building and facility maintenance by contractors.

6603 - O/S Ground:

6604 – O/S/ Vehicle:

6810 – Equip Rental: Maintain this line item at \$2,500. Funds are for emergency rental equipment in the event of unforeseen circumstances.

7301 – Mach. Acqui:

7302 - Equip Acqui: Decrease this line item to \$0 from \$20,000. There are no capital purchases anticipated during this budget cycle.

8510 – T/Gen Fund: Finance to provide.

8530 – T/Spec Rev: Finance to provide.

8710 – Loss on inv: Finance to provide.

8720 – Rent Dist: Finance to Provide

8721 – Payment O/A: Per finance.

8730 – Deprn: Finance to provide

8735 – Gain/Loss on assets: Finance to provide

Project Descriptions:

Outfall Inspection: Line item 6104: Funds for this project would involve an inspection of the outfall from the air relief structure to the diffuser structure, a distance of approximately 4400 ft. In FY09-10 staff was able to get the first 800 feet of the outfall videoed for inspection. The portion inspected was from the air relief structure at the plant westward towards the ocean, but the remaining 3600 feet of the outfall should be inspected. This portion is underwater with severely restricted access so staff is still attempting to locate a consultant capable of such an inspection. To my knowledge an inspection of the outfall has not been performed since it was installed in 1982. The diffuser structure is inspected on an annual basis by Carson Porter Diving Services, and they have reported no problems with the approximately 200ft of outfall that represents the diffuser structure. The inspection process will provide a current condition of the outfall

With the magnitude of the upgrade project for the plant, staff is still recommending that a comprehensive inspection of the outfall is warranted. It would seem prudent to ensure that the outfall system is in good shape for the planning period for the upgraded plant. If repairs or maintenance is required they could be included with the plant upgrade.

Staff has been in contact with numerous firms concerning the outfall inspection but has encountered few with the appropriate knowledge and specialized tools to perform this task. Issues associated with the inspection process include the length of the pipe run and the limited entry and egress points for accessing the outfall. In addition, there are issues with videoing the outfall when it is full of water, so sonar imaging may be required as well as the use of video cameras. Staff has estimated a budgetary cost estimate of \$100,000.

Purchase of a new Return Activated Sludge Blower (RAS): Line item 5504: This would replace the one of the existing two RAS blowers currently in operation. This blower is approaching the end of its useful life. These units are a critical component of the secondary treatment system. Estimated cost is \$5,000.

Purchase and Installation of New Distributor Arms on Biofilter #1: Line item 6601: This project would be for the purchase and installation of new distributor arms on biofilter #1. After an inspection and consultation by the manufacturer of the distributor arms, staff is recommending replacement of the distributor arms. They are badly corroded and have exceeded their useful life. These units are a critical component of the secondary treatment system. Estimated cost for this project is \$17,500.

Replacement of the Muffin Monster Screen Assembly: Line item 6601: This project would be for the purchase and replacement of the screen assembly for the muffin monster located in the influent channel. In FY09-10 staff purchased and installed a new cutter cartridge assembly. These repairs should extend its useful life for another two years when staff further maintenance may be required. Cost estimates provided for this project is \$40,000.

Purchase and Installation of New Outfall Buoys: Line item 6601: This project would replace the two existing spar buoys marking the outfall location. Funds for this project include purchase of the materials for the buoys as well as the divers required to install the buoys and new ground tackle. Cost estimate for this project is \$5,000.

MB/CSD WASTEWATER TREATMENT PLANT
FUND 599

	ACTUAL EXPENSES						DEPT	DEPT
	2004	2005	2006	2007	2008	2009	RECMNDS 2010	RECMNDS 2011
4110 Reg Pay	357,321	379,066	393,231	383,199	419,591	430,710	440,418	463,275
4120 Overtime	7,645	6,102	5,782	6,587	4,547	4,340	5,000	5,000
4515 Standby	9,196	10,203	10,231	10,916	11,010	11,910	12,775	12,775
4599 Other	1,407	694	1,270	-	1,283	1,333	2,000	2,000
4910 Benefits	141,580	181,567	207,856	213,423	234,793	246,440	251,780	260,481
4999 Labor App.	167	(4,957)	546	-	(22,971)	-	-	-
5101 Janitorial	984	945	1,186	861	922	1,329	1,250	1,250
5105 First Aide	67	157	174	365	132	144	500	500
5108 Comm. Supp	45	-	3,015	167	-	378	500	500
5109 Uniforms	7,470	6,276	7,129	8,296	8,034	6,949	13,200	10,000
5110 Fuel	2,625	2,873	2,358	3,660	3,586	3,986	3,500	4,000
5112 Lab Suppli	14,654	15,565	15,831	15,621	14,594	26,988	16,500	16,500
5120 Chemicals	65,464	65,890	73,294	69,993	76,916	112,148	95,000	95,000
5125 Repair/Mat	4,370	2,687	493	-	575	2,500	2,500	500
5175 Comp. Supp	1,312	948	1,046	-	1,480	1,614	1,500	1,500
5199 Misc Supp	2,161	2,249	1,085	1,309	1,621	(2,960)	1,500	1,500
5201 Other expense	-	-	-	-	-	6,672	-	-
5301 Gen Office	1,091	1,142	1,257	1,274	1,194	809	1,200	1,200
5302 Copies	66	55	183	254	43	452	150	500
5303 Books	130	-	-	223	49	-	100	100
5305 Forms	-	-	153	-	-	-	-	-
5501 Ground Sup	3,151	2,992	322	2,867	1,387	1,072	2,500	2,500
5502 Build Sup	4,069	5,561	923	5,420	1,018	13,164	\$15,000	\$15,000
5503 Rolling St	-	23	-	-	149	-	-	-
5504 Equip Sup	90,362	55,262	54,790	56,242	119,279	52,676	55,000	60,000
5530 Small Tool	1,621	1,657	1,990	1,753	1,950	2,051	2,000	2,000
6101 Legal	-	-	-	-	-	-	200	200
6103 Fin/Audits	2,170	820	4,215	7,812	4,175	7,821	6,000	6,000
6104 Eng Svc	-	-	18,551	-	-	-	105,000	105,000
6105 Consulting	25,279	24,316	62,162	7,963	14,212	40,786	25,000	25,000
6106 Contr/Svc	153,033	173,276	164,209	168,899	180,741	192,222	190,000	195,000
6107 Prom/Adver	-	-	-	-	166	-	-	-
6125 Pro/Devel	2,553	1,944	1,683	1,908	2,097	1,801	2,500	2,500
6160 Veh/Inspe	-	58	-	209	-	-	250	250
6161 Lic/Permit	1,605	190	2,133	-	-	3,000	6,000	6,000
6162 Mandated	29,910	15,649	16,134	19,387	18,862	8,567	20,000	26,000
6199 Other Pro	419	419	444	776	1,412	845	\$1,500	\$1,500
6201 Telephone	1,679	1,440	1,545	1,597	1,428	1,317	2,000	2,000
6220 Postage	-	100	34	-	21	123	-	-
6231 Pager Svc	190	192	208	192	192	203	300	-
6301 Electric	124,331	116,673	99,923	110,512	106,328	123,104	119,909	119,909
6302 Gas	21,787	24,263	23,853	15,392	22,513	16,540	25,000	10,000
6303 Water	5,418	9,179	6,922	7,328	8,302	6,369	7,500	7,500
6305 Disposal	-	-	104	-	-	672	600	600
6307 Disp.Sludg	17,691	9,272	12,681	10,656	7,266	9,550	15,000	12,500
6399 Other Util	12,682	13,587	12,938	13,989	13,924	17,024	14,000	14,000
6401 Gen.Liab.	14,845	14,845	14,845	14,845	14,845	14,845	42,031	42,031
6411 Property I	21,568	21,568	21,568	21,568	21,568	19,443	1,130	1,130
6472 Other Ins.	-	-	-	60	66	-	91	91
6473 Vehicle In	300	300	300	300	300	300	244	244
6499 Other Ins.	24,587	-	108,389	176,252	177,027	158,541	180,000	180,000
6502 Shipping	1,916	1,229	259	694	830	(1,753)	1,000	1,000
6510 Meetings	45	-	-	-	-	28	300	300
6514 Travel Exp	561	-	889	1,045	874	815	1,500	1,500
6519 Assoc. Mem	92	97	100	-	-	-	150	150
6601 Outside Eq	92,992	55,602	54,175	55,452	105,404	203,574	130,000	117,500
6602 O/S Struct	-	31,096	6,917	7,415	15,096	21,145	\$5,000	\$30,000
6603 O/S Ground	-	-	-	-	-	-	-	-
6604 O/S Vehicl	481	-	918	4,168	556	351	2,500	2,500
6640 Maint Cont	-	-	-	-	-	-	-	-
6810 Equip Rent	1,515	304	12,322	722	-	-	2,500	2,500
7102 Build/Stru	-	-	-	-	-	-	-	-
7203 O/Maint Ve	-	-	-	-	-	-	-	-
7301 Mach.Acqui	-	-	-	-	-	-	-	-
7302 Equip Acqu	-	-	15,906	(15,906)	-	-	22,500	-
7311 Off Equip	-	-	-	-	-	-	-	-
7499 O/Cap. Out	-	-	-	-	-	-	-	-
8510 T/Gen Fund	-	-	-	-	-	-	-	-
8530 T/Spec Rev	-	-	-	-	1,679	-	-	-

	ACTUAL EXPENSES						DEPT	DEPT
	2004	2005	2006	2007	2008	2009	RECMNDS 2010	RECMNDS 2011
8710 Loss on inv	-	-	5,710	-	-	-	-	-
8720 Rent Dist	81,657	60,966	96,494	-	-	-	-	-
8721 Pmyt O/A	29,316	-	31,971	44,700	25,673	38,124	30,000	30,000
8730 Deprn	553,716	522,660	508,973	496,757	492,305	500,741	-	-
8735 Gain/loss on assts	-	-	-	648	-	-	-	-
	<u>1,939,296</u>	<u>1,837,002</u>	<u>2,091,620</u>	<u>1,957,770</u>	<u>2,119,044</u>	<u>2,310,803</u>	<u>1,883,579</u>	<u>1,898,986</u>
Personnel services	(517,316)	(572,675)	(618,916)	(614,125)	(648,253)	(694,733)	(711,974)	(743,531)
Supplies	(199,642)	(164,282)	(165,229)	(168,305)	(232,929)	(229,972)	(211,900)	(212,550)
Services	(557,649)	(516,419)	(648,421)	(649,141)	(718,205)	(847,233)	(907,205)	(912,905)
Capital outlay	-	-	(15,906)	15,906	-	-	(1,277,500)	(1,470,000)
Other	(664,689)	(583,626)	(643,148)	(542,105)	(517,978)	(538,865)	(30,000)	(30,000)
Equipment replacement	-	-	-	-	-	-	-	-
Interfund transfers out	-	-	-	-	(1,679)	-	-	-
	(1,939,296)	(1,837,002)	(2,091,620)	(1,957,770)	(2,119,044)	(2,310,803)	(3,138,579)	(3,368,986)
	-	-	-	-	-	-	(1,255,000)	(1,470,000)



yellow highlighted items were supplied by finance
blue highlights indicate change from prior year budget